



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, DC 20350-2000

OPNAVINST 1740.5A
PERS-662
30 Jan 2002

OPNAV INSTRUCTION 1740.5A

From: Chief of Naval Operations
To: All Ships and Stations (less Marine Corps field addressees not having Navy personnel attached)

Subj: PERSONAL FINANCIAL MANAGEMENT (PFM) EDUCATION, TRAINING AND COUNSELING PROGRAM

Ref: (a) MILPERSMAN 7000-020
(b) DODD 1344.9 of 27 Oct 94
(c) OPNAVINST 1500.22E
(d) SECNAVINST 5211.5D
(e) OPNAVINST 1754.1A
(f) SECNAVINST 1740.2D
(g) CNETINST 1510.1F
(h) SECNAVINST 5040.3A

Encl: (1) Command Financial Specialist (CFS) Qualifications, Functions and Training Sites
(2) Core Program Areas and Initial/Life Cycle Training Continuum
(3) Command and Staff Responsibilities
(4) Fleet and Family Support Center (FFSC)/Mobile Training Team (MTT) Personal Financial Management Program Responsibilities
(5) Sample CFS Letter of Designation

1. Purpose. To implement a comprehensive Personal Financial Management (PFM) Education, Training and Counseling program that emphasizes a proactive, career lifecycle approach to servicemembers' personal financial responsibility and accountability by providing basic principles and practices of sound money management, counseling tools and referral services using a comprehensive education and training program. This instruction is a complete revision and should be reviewed in its entirety.

2. Cancellation. OPNAVINST 1740.5.

3. Background

a. Recent Navy Community Needs Assessment data clearly identifies PFM as a top concern of Navy families. Operational commanders have identified financial issues as having a direct impact on readiness and retention. Management of personal finances presents an increasing challenge to Navy members and their families. For some, the lack of basic consumer skills and training in how to manage finances set the stage for financial difficulty. Other contributing factors that magnify the impact of Navy lifestyle are:

- (1) high cost of living in some areas in the United States and overseas,
- (2) prevalence of easy credit,
- (3) high pressure sales tactics,
- (4) clever advertising techniques,
- (5) undisciplined buying, and
- (6) consumer rip-offs.

b. In many cases, resultant financial problems have had a serious negative impact on Navy members and families, as well as a debilitating effect on operational readiness, morale and retention.

4. Discussion

a. References (a) through (h) mandate specific programs, actions or requirements that are relevant to the PFM program.

b. PFM is a key Quality of Life (QOL) program. As described in references (a) and (b), servicemembers and Navy have a joint responsibility to address personal financial obligations. Members have an obligation to discharge their just financial debts in a timely fashion and meet financial needs of their families. Commanding Officers (COs) have a responsibility to encourage financial responsibility and sound financial planning. Department of the Navy (DoN) promotes sound financial

practices, personal integrity, and responsibility among its members.

c. PFM program consists of three major elements:

- (1) Financial education and training;
- (2) Financial information and referral; and
- (3) Financial counseling.

At the local command level, the three elements of the PFM program are under the control of a trained Command Financial Specialist (CFS) and are applied across the career and lifecycle per enclosure (2).

d. Fleet and Family Support Center (FFSC) provides support to all elements of the PFM program by conducting CFS training at sites designated in enclosure (1), and providing qualified Financial Educators (FEs) (or equivalent) to function in all other areas of the PFM program as needed.

5. Applicability and Scope. Provisions of this instruction apply to all active duty and reserve personnel. Regular and reserve commands, permanent detachments, and departments having 25 active duty personnel, shall have a trained CFS to coordinate the program and to assist the CO/OIC in providing financial training, information, and counseling to command members. Assigned CFS must meet criteria established in enclosure (1). Commands shall maintain a ratio of 1 CFS to every 75 active duty members including those assigned temporary duty (TEM DU), temporary duty under instruction (TEM DUINS), and members from other services. Commands having less than 25 active duty personnel are encouraged to have a trained CFS. All commands and permanent detachments shall conduct annual PFM training per reference (c) and provide counseling.

6. Policy. Navy shall promote operational readiness, personal responsibility, reliability, morale and QOL, by providing knowledge, skills and counseling to its members regarding sound PFM practices. It is Navy policy to provide a continuum of training, as well as information and counseling services. Components of the PFM program are as follows:

a. Education and Training. Financial education is a continuum starting with recruit training. Fundamental financial management principles and skills will be introduced at officer and enlisted accession points. It shall span the military career encompassing pipeline, command level, and the member's transition training per enclosure (2). The CFS/FFSC FEs can provide education and training. If these two resources are not available, FFSC should be consulted to obtain a list of other authorized resources to be used.

b. Information and Referral. Providing current financial information and appropriate referral resources to military personnel is an integral part of the PFM program. Relevant PFM information will be issued or published regularly, in Navy internal media such as Captain's Call, Navy News, All Hands Magazine, and in command-level venues such as plan of the day (POD) and plan of the week (POW). Purpose is to raise awareness, and keep members advised of the latest concerns and assistance available. Command learning resource center will incorporate state-of-the-art multi-media financial education resources, including CD-ROMs, videos, and access to financial web-sites through the Navy Learning Network (NLN). The CFS will maintain or have access to a library of current financial information and resources including current periodicals to assist servicemembers in successful money management.

c. Counseling. If financial problems or concerns persist after adequate access to education, training, information, and referral resources, the command can provide access to individual financial counseling. A qualified CFS will counsel Navy members experiencing financial difficulties or seeking information on personal financial management concerns. In the absence of a trained CFS or other appropriate command member, the command will refer such members to the FEs within the FFSC. If the FFSC cannot provide the necessary financial counseling service, referrals to other authorized agencies may be made, such as Navy Marine Corps Relief Society (NMCRS), Navy Legal Service Office (NLSO), and non-profit Consumer Credit Counseling Services (CCCS).

7. Action and General Responsibilities. Specific responsibilities and duties in support of the PFM program are delineated in enclosures (3) and (4). All Navy members shall become familiar with the PFM program policies, objectives, and

assistance resources, use it in their own pursuit of personal excellence, and shall support their shipmates by sharing this information with those who need it.

8. Command Inspection Program. Command Inspection team will inspect the command's PFM program. Following minimum requirements should be reviewed:

- a. CFS identified in writing using enclosure (5).
- b. CFS must receive appropriate training per enclosure (3).
- c. Appropriate ratio of CFS to crew per this instruction.
- d. CFS assigned as a Command Special Assistant.
- e. CFS included in Command Indoctrination program.
- f. Records maintained in an area to ensure confidentiality.
- g. CFS identified in appropriate locations (POD, POW, etc.).

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Distribution:
SNDL Parts 1 and 2

**COMMAND FINANCIAL SPECIALIST (CFS)
QUALIFICATIONS, FUNCTIONS AND TRAINING**

1. Qualifications of the Command Financial Specialist (CFS).

The CFS shall function as the command's principal advisor on policies and matters related to PFM. Following qualifications apply:

a. Minimum paygrade will be E6 and above for enlisted and W2/01 and above for officers.

b. Highly motivated and financially stable. For assistance, COs may refer to FFSC for guidance in CFS screening process.

c. Successfully complete the CFS training course provided by designated FFSCs or MTT using NAVPERS 15608C, CFS Training Manual.

d. Have at least one year remaining in the command at time of CFS course completion.

e. Participate in continuing education including, but not limited to, periodic CFS forums and CFS refresher training at least every three years.

2. Functions of the CFS. At the completion of formal training, the CFS shall be able to perform the following functions:

a. Assist the command to establish, organize and administer the command PFM program including thorough pass down to incoming CFS.

b. Disseminate financial management information within the command through GMT, POD notes, newsletters, E-Mail, etc.

c. Maintain current PFM resource books, directories, references and training materials for use in general military training (GMT), divisional training and counseling. In addition, CFS should maintain close liaison with FFSC FEs where possible.

d. Present PFM training as part of the command GMT program and provide divisional PFM training as required.

e. Provide basic PFM counseling to individual members of the command as requested.

f. Maintain records of training, counseling conducted and counseling referrals, and ensure confidentiality of counseling records under references (d) and (e).

g. Refer members with serious financial problems to the appropriate resource or agency capable of providing necessary assistance/counseling, such as FFSC, NMCRS, Federal credit unions, non-profit CCCS, etc. Ensure individual is seen and counseled. Maintain contact with the individual and the resource/counseling agency to monitor progress.

COMMAND FINANCIAL SPECIALIST (CFS) TRAINING SITES

Formal CFS training will be conducted at the below designated FFSCs: All other FFSCs or remote cites will receive CFS training via MTT.

LOCATION

Anacostia, Washington DC
Bangor, WA
Great Lakes, IL
Groton, CT
Gulfport, MS
Hampton Roads, VA area (Norfolk, VA*)
Jacksonville, FL
Keflavik, Iceland
Kingsville, TX
Naples, Italy
New Orleans, LA
Pearl Harbor, HI
Pensacola, FL
Port Hueneme, CA
Rota, Spain
San Diego, CA
Sigonella, Italy
Yokosuka, Japan

*Designated CFS Course Instructor ("Train the Trainer") training site.

**CORE PROGRAM AREAS AND INITIAL/LIFE CYCLE
TRAINING CONTINUUM**

I. Core Program Areas

1. Military Pay Issues
2. Banking and Financial Services
3. Developing Your Spending Plan
4. Credit Management
5. Car Buying Strategies
6. Introduction to Savings and Investing
7. Consumer Awareness
8. Insurance
9. Legal Issues
10. Housing
11. Financial Planning for Deployment
12. Money and the Move
13. Savings and Investments
14. The Basics of Retirement Planning

| Initial/Life-Cycle Training Continuum | | | |
|---------------------------------------|---|------------------------------|--|
| Grade | Training | Hours | Curriculum (Using NAVPERSCOM (PERS-6) PFM Standardized Curriculum) |
| E1-E3 | "A" Schools/Gendet | 16 | Ethical Financial Behavior; Payroll System; Understanding the LES; Developing a Spending Plan; Banking & Financial Services; Credit Buying; Car Buying; Consumer Awareness; Insurance; Official Government Travel; Financial Planning for Deployment; Legal Issues; Resources for PFM assistance; Investments/Savings; Exam Review |
| E4 | Petty Officer Indoc | 2-3 | Living Ashore, Planning for Deployment, Consumer Awareness, Saving/Investing |
| E5 | PO Second Class LTC | 2-3 | Investment Planning; Insurance; Revising Spending Plan; Wills |
| E6 | PO First Class LTC | 2-3 | Real Estate Transactions; Tax & Estate Planning; Financing Family's and Your Education; Wills |
| E7 | Chief PO LTC | 2-3 | Retirement Planning; Tax and Estate Planning; Wills |
| E8-E9 | Senior Enlisted Academy | 2-3 | Preparing for Retirement |
| Officers All | OCS, USNA, NROTC 1) GMT 2) Web Based/Navy Learning Network | 1-2 1-2 Self- paced | Various PFM Topics 1) Various PFM Topics 2) Provides stand-alone training, military wide, to augment all PFM training. |

COMMAND AND STAFF RESPONSIBILITIES

1. Deputy Chief of Naval Operations (Manpower and Personnel) (DCNO (MP)) (N1), as program sponsor, shall establish Navy PFM program policy and liaison with Department of Defense (DOD) and other cognizant agencies.

2. Commander, Navy Personnel Command (COMNAVPERSCOM) through Assistant Commander Navy Personnel Command for Personal Readiness and Community Support (PERS-6) shall implement and coordinate the Navy PFM program and as program manager shall

a. coordinate implementation of PFM program training with Chief of Naval Education and Training (CNET).

b. maintain program effectiveness and currency.

c. integrate the activities of all military and civilian personnel and organizations in support of the program.

d. provide guidance to all activities regarding implementation of program policy and plans.

e. develop and maintain currency of personal financial education and training programs and materials.

f. develop, implement and maintain currency of program publicity/marketing plans.

g. conduct periodic program evaluations and updates to ensure standardization.

h. designate official CFS training sites and approve MTT training in concert with FFSC or installation commanders.

i. periodically review, update and ensure standardization of all PFM instructional material including, PFM Desk Guide, Standardized Curriculum and CFS course presented at designated FFSC training sites or by MTTs.

3. CNET shall designate the PFM program as a topic in the GMT program. CNET shall

a. provide training on PFM program elements using NAVPERSCOM (PERS-6) PFM Standardized Curriculum to all enlisted recruits at Recruit Training Command, students at CNET "A" schools, and during Navy GMT.

b. provide PFM program training using NAVPERSCOM (PERS-6) PFM Standardized Curriculum to all officer candidates, Naval Reserve Officers Training Corps (NROTC) midshipmen, and personnel in other officer entry programs.

c. include the CFS training course in the Navy Integrated Training Resource Administration System (NITRAS) and the Catalog of Navy Training Courses (CANTRAC).

4. Chief of Information (CHINFO) shall in coordination with the program manager, review and provide PFM information for frequent inclusion in Navy internal media.

5. U.S. Naval Academy (USNA) shall provide PFM program training to all Naval Academy Midshipmen using NAVPERSCOM (PERS-6) PFM Standardized Curriculum.

6. Naval Inspector General (NAVINSGEN) is responsible for the Naval Command Inspection program per reference (h). In this capacity the NAVINSGEN shall

a. develop/update standardized immediate superior in command (ISIC) inspection protocol for the PFM program with guidelines provided in paragraph 8 of basic instruction and assistance from NAVPERSCOM (PERS-6).

b. review Echelon 2 PFM program(s) to ensure program implementation and policy compliance.

7. Echelon 2 commands/area coordinators shall

a. monitor timely establishment and ensure continuing effective program implementation. Echelon 2/area coordinators with CFS course training sites/MTTs shall provide CNET a consolidated schedule of course training dates, quota availability and other information required in reference (g) for inclusion in NITRAS and CANTRAC.

b. include PFM in ISIC inspections to ensure program policy compliance following guidelines in paragraph 8 of basic instruction.

c. assess requirements for CFS training sites/MTTs in area of responsibility in concert with NAVPERSCOM (PERS-6) to ensure that the CFS course is provided with sufficient frequency and resources to meet training and policy requirements.

8. Echelon 3 commands/regional coordinators shall

a. monitor timely establishment and continuing effective implementation of the program as it applies to commands under their cognizance.

b. establish priorities for quota control for CFS training courses offered by designated FFSCs/MTTs under their cognizance, coordinate MTT visits with host commands and provide points of contact for commands requesting quotas. Quota preference is to be given to commands which do not have a trained CFS. Quota allocations must address both local and out-of-area commands. Course schedules and locations must be readily accessible to fleet units on demand.

c. ensure, in concert with COs of CFS training site(s)/MTTs under their cognizance, the CFS training course is provided with sufficient frequency and resources to accommodate training requirements.

9. COs of Navy installations having FFSCs shall

a. coordinate the effort of local financial counseling resources (FFSC, NMCRS, Navy Mutual Aid Society, NLSO, etc.) to maximize effectiveness with respect to the PFM program.

b. ensure in concert with Echelon 3 command/regional coordinator, the CFS training course is provided with sufficient frequency and resources to accommodate training requirements if a designated CFS training site. Enclosure (4) provides further guidelines for FFSCs with respect to the PFM program.

10. Unit commanders, COs, and officers in charge (OICs) shall

a. except as exempted in paragraph 5 of the basic instruction, designate in writing, using enclosure (5), a minimum of one responsible command member per 75 active duty military personnel as CFS. Enclosure (1) provides qualifications criteria, functions and training sites for CFSs.

b. allow for required training. Ensure accurate completion of enclosure (5) for all designated CFSs, and notify FFSC of changes in CFS assignment. Provide copies to NAVPERSCOM (PERS-662), servicing FFSC and member's service record.

c. ensure all command inspection items are followed as stated in paragraph 8 of basic instruction.

d. ensure that in all cases where personnel are subject of a bad check report or letter of indebtedness, that a determination be made as to whether or not financial mismanagement by the individual is involved. In all cases of financial mismanagement, individuals should receive mandatory PFM counseling from CFS or FE if necessary.

e. ensure that required PFM program training is conducted.

f. establish and maintain records between command inspection cycles of PFM education, training and counseling conducted.

g. ensure the privacy and confidentiality of all records of PFM counseling done at the command, per references (d) and (e).

h. obtain a review and recommendation from the Financial Education staff at the local FFSC and an opinion from the local representative of the Staff Judge Advocate (SJA) prior to granting authorization for any personal financial management presentation on base offered by a commercial entity. Refer to reference (f).

i. permit command career counselors to attend CFS training on a space available basis.

11. CFS shall

- a. normally be assigned as a collateral duty.
- b. report directly to the command level (CO/executive officer (XO)) as a special assistant. Enclosure (1) lists basic CFS qualifications, functions and training requirements.
- c. ensure CFS training or any other PFM course completed is annotated in members' service record.
- d. provide financial education, counseling, training, and information and referral. When appropriate refer to FFSC FE.

**FLEET AND FAMILY SUPPORT CENTER (FFSC)/MOBILE TRAINING TEAM
(MTT) PERSONAL FINANCIAL MANAGEMENT PROGRAM RESPONSIBILITIES**

1. FFSCs shall assist local commands, area CFSs and visiting MTTs by serving as the primary resource in tailoring PFM information, materials and education programs pertaining to the local area. FFSCs will also

a. provide financial education/training, information and referral assistance to military personnel and their family members on personal financial issues. Provide financial counseling to those with financial problems, when referred by a CFS or in the absence of a trained CFS.

b. maintain records, and ensure privacy and confidentiality of all records and information regarding PFM counseling conducted per references (d) and (e) and per accreditation standards.

c. maintain ongoing liaison with financial institutions located on base to encourage military and family member awareness and use of their PFM counseling and information services.

d. ensure one staff member, as a minimum, is trained as an FE at a training site listed in enclosure (1). For all FEs for continued professional development, training will be conducted annually at instructor training sites for FEs to attend once every three years unless waived by NAVPERSCOM (PERS-662). Highly recommend FEs obtain Accredited Financial Counselor (AFC) certification, which includes obtaining required Continuing Education Units (CEUs)

e. serve as local quota manager, training site facility and logistics support coordinator and local subject matter resource consultant/assistant for visiting PFM program MTTs. As host FFSC, report via the quarterly FFSC designated computerized data collection system report to NAVPERSCOM (PERS-662) the number of classes held and total number of CFSs trained by an MTT, and number of clients/reason counseled.

f. If designated as a CFS training site listed in enclosure (1) or as an MTT, responsibilities are to

(1) ensure MTT requests are made to and approved by NAVPERSCOM (PERS-662).

(2) offer the CFS course of instruction as directed with a minimum of one class per quarter and 25 student quotas per class, using NAVPERS 15608C, CFS Instructor Guide and CFS Training Manual.

(3) maintain records for at least two years of the name, rate, SSN and source command of all trainees who successfully complete the CFS course and provide documentation to the trainees' command for entry into the individuals' service record.

(4) report via the quarterly FFSC designated computerized data collection system report to NAVPERSCOM (PERS-662), number of classes held, total number of CFSs trained, and other data fields required by NAVPERSCOM (PERS-662C).

(5) submit annually by 30 June, to NAVPERSCOM (PERS-662C) via the Echelon 2 commander/area coordinator, a proposed schedule of CFS classes.

(6) as a minimum, provide two individuals (E-6 or above or civilian counterpart), capable and trained as instructors of the CFS course at the instructor training site(s), listed in enclosure (1) and an additional person capable of acting as an alternate instructor.

(7) function with NMCRS as agreed in Memorandum of Agreement between NMCRS/DON of 5 February 2001. At specifically designated FFSC training sites, NMCRS Budget Counselor will assist the FFSC FEs (or equivalent) in the administration and implementation of the CFS training program and in related PFM program functions. They will assist FFSC FEs in the preparation and delivery of the CFS training program. NMCRS Budget Counselors will be supervised by their Auxiliary Executive Directors and will work with locally established Memorandums of Understanding (MOUs). NMCRS Budget Counselors are not permitted to accept additional or collateral responsibilities outside of the PFM program except by separate agreement.

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g. ensure only CFS/PFM course materials approved by NAVPERSCOM (PERS-662C) referred to in this instruction are used in all training and counseling activities.

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**SAMPLE COMMAND FINANCIAL SPECIALIST LETTER OF DESIGNATION
FOR OFFICIAL USE ONLY (When Filled In)**

1740
Ser
Date

From: Commanding Officer/Officer in Charge
To: Rate/Rank, Name, SSN

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST (CFS)

Ref: (a) OPNAVINST 1740.5A

1. Per reference (a) you are designated as (Command Name) CFS. You will familiarize yourself with policies and procedures of reference (a) and other applicable Personal Financial Management program elements in the performance of your duties.

2. In your capacity as CFS, you will report directly to the Commanding Officer/Officer in Charge or their representative. Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing.

Signature

Name/Rate/SSN of CFS:

Date of Designation:

Date Completed CFS Course:

Global E-Mail Address:

DSN Phone Number:

Location of Servicing FFSC:

I accept the designation of (Command Name) CFS.

Member Signature

Copy to:

NAVPERSCOM (PERS-662C3)

Servicing FFSC

Service Record

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Enclosure (5)